

DFAS-ARL/FMP

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(FINANCIAL OPERATIONS)

DIRECTOR, OFFICE OF FINANCIAL OPERATIONS, SENIOR  
CIVILIAN OFFICIAL, ASSISTANT SECRETARY OF THE  
NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(FINANCIAL OPERATIONS)  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
COMPTROLLERS, DEFENSE AGENCIES  
DIRECTORS, DoD FIELD ACTIVITIES  
INSPECTOR GENERAL DEPARTMENT OF DEFENSE

SUBJECT: Transfer of Credit Hours

Currently, the Defense Civilian Pay System (DCPS) automatically pays an employee for his or her credit hour balance (at the employee's current hourly rate) when the employee is no longer subject to a flexible work schedule (FWS), transfers to another employing activity (as evidenced by a change in Unit Identification Code (UIC) or PAS code), or upon separation. Many realignments are merely changes in UICs or PAS codes and we have paid credit hours when this occurs. We have received numerous requests to modify DCPS to transfer credit hour balances when realignments occur. This change would allow the employing activities to defer the expenditure of funds and allow employees to retain their credit hours.

Therefore, based on the previous requests, we will modify DCPS to implement this change in time for the beginning of the next fiscal year (inasmuch as realignments are often effective at the beginning of the fiscal year). Effective the pay period beginning September 24, 2000, DCPS will automatically transfer the credit hour balance for any employee whose UIC/PAS code changes, provided the Agency and Major Claimant/Command does not change, the employee remains on a FWS and is not moved to a different DCPS database. Credit hours will be paid if the agency and major claimant/command changes, the employee does not remain on a FWS or is moved to a different DCPS database. In the future, we will develop the

capability to transfer credit hour balances between DCPS databases.

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In some situations, the new employing activity will have a different credit hour carryover limit than the old employing activity. We recognize the potential impact on the employees and will incorporate payroll rules (attachment) in DCPS that will apply during the pay period of the transfer or realignment. Prior to a transfer or realignment, employees should be advised regarding the payroll rules and any change in the carryover limit.

My point of contact for questions concerning this memorandum is Mr. Paul Axe. He can be reached at DSN 327-5023 or (703) 607-5023.

/ s /  
Jerry S. Hinton  
Acting Director, DFAS Arlington  
(Finance)

Attachment:  
As stated

cc: DFAS-DE/FN  
OPLOC Charleston  
OPLOC Pensacola

## TRANSFER OF CREDIT HOURS DURING A PAY PERIOD

When the available credit hour balance transfers during a pay period, all credit hours earned during that pay period will be added to the balance and all credit hours used will be subtracted. The following payroll rules will apply:

- If the new carryover limit is equal to or higher than the old limit
  - Forfeit all hours in excess of the new limit at the end of the pay period, and carry over the remaining balance to the next pay period.
- If the new limit is lower than the old limit and the balance at the end of the pay period exceeds the new limit
  - Forfeit all hours in excess of the old limit at the end of the pay period, and
  - Pay out the difference between the adjusted balance (after processing the forfeiture, if applicable) and the new limit, and carry over the remaining balance to the next pay period.
- If the new limit is lower than the old limit and the balance at the end of the pay period is equal to or less than the new limit
  - Carry over all hours to the next pay period.

Attachment